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PARTY SPOKESMAN SCORES NORTHEAST BUSINESS LEADERS;
PRIVATE ENTERPRISE HAS PLACE IN NEW ECONOMY

A spokesman for the CCP's Northeast Bureau of the Central Committee has stated publicly that party committeemen and government authorities in the Northeast lack knowledge and understanding of business leadership. Among other suggestions for improvement, he emphasized that private enterprise should be given all possible leeway within the provisions of the Common Program. He was addressing a conference of party workers in business lines called to discuss future policies on speeding up commodity flow and production.

Since the liberation of the Northeast, joint public and private enterprises have been flourishing, and labor-capital relationships have made amicable adjustments. Public enterprises are increasing their aid to private enterprise by assigning processing contracts, purchases of goods, and loans. Purchases from private enterprises in 1949 amounted to 408,000,000 yuan whereas in only the first 4 months of 1950 they amounted to 1,062,500,000 yuan (Northeast currency).

NORTHEAST PARTY BUREAU CONVENES BUSINESS CONFERENCE -- Mukden, Tung-pei Jih-pao,
13 Oct 50

The Northeast Bureau of the CCP Central Committee recently convened a conference of party workers in business enterprises. The purpose of the conference was to propose future policies such as to increase and speed up commodity flow, and to discuss ways of better serving the people in industrial and agricultural production.

A spokesman for the bureau, in speaking to the conference, pointed out the following shortcomings that had been revealed in the operations of publicly operated business enterprises.

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He averred that there had been lack of study in the matter of controls, and foreign and domestic market conditions with a resulting lack of wise and forward-looking planning.

He said, further, that there had been a tendency to regard production as all-important without reference to market conditions and this could result in serious disruption of the economy as a whole. He charged that Northeast Bureau committee-men and authorities were lacking in knowledge and leadership qualities in business affairs.

He maintained that to keep the business interests of the Northeast on an even keel, the following three principles must be implemented.

1. Publicly operated business activities must be tied in firmly with the total economic strength of the area.
2. The price control policy [of the Central government] must be carried out faithfully.
3. Business-like budgeting policies must be incorporated into the system of economic controls.

He emphasized that private business enterprises should be given all possible leeway to operate lawfully within the range allowed them by the Common Program. This would confine their activities to domestic trade [except as contractors for the government foreign trade agencies].

The spokesman also emphasized that needless restrictions should be removed from cooperatives to permit freer expansion of their activities.

PRIVATE INDUSTRY PRESENTS NEW ASPECT -- Shanghai, Hsin-wen Jih-pao, 16 Oct 50.

During the few years since the liberation in the Northeast, thousands of commercial firms such as jewelry stores, commission houses, and other types of nonproductive enterprises have changed over to productive lines with profit to themselves and benefit to the general economy. Harbin, formerly a city of consumers, has seen much change in the direction of productivity. Dairen likewise gives evidence of a strong trend in the same direction.

In the matter of joint government and private enterprises, there has been progress. The Harbin Enterprise Corporation was organized in 1948 with 57 percent government and 43 percent private capital. At first it operated as a grain and industrial raw material purchasing corporation to supply military and civilian needs. After the liberation of all the Northeast, the corporation entered the productive field, established a large number of subsidiary industrial enterprises -- from leather and machinery to lead pencils and medicine. In these subsidiary enterprises private capital exceeds government capital; nevertheless, the net result of the operations has been to further the government's economic policy.

There have been two expansions of capital which now stands at 35 billion yuan [presumably Northeast currency] with present assets at 380 billion yuan. The manager and the assistant are appointed by the government and the representatives of private capital, respectively. The chairmanship of the board of directors is held concurrently by the chairman of the Commercial and Industrial Committee of the Northeast government. The success and expansion of this corporation has led to a recent tendency on the part of formerly reluctant private capital to flow into the enterprise. It is a good example of what the government hopes to accomplish in its program of joint-capital enterprises.

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After the first uncertain period of adjustment to the new economic policy, labor and capital in their relationships in the Northeast, have, under government tutelage, come to understand the importance of harmony to the welfare of each side and to the all-important program of production.

The relations of publicly and privately operated industry have become increasingly cordial, and publicly operated enterprise has increasingly aided private enterprise by assigning processing work, buying products, and making loans.

The amount of processing assigned to and goods bought from private enterprises by publicly operated enterprises during the first quarter of 1950 exceeded the amount for the whole of 1949. During 1949, publicly operated enterprises purchased from private enterprises goods valued at 408,900,000,000 yuan, but during only the first 4 months of 1950 they purchased goods valued at 1,062,500,000,000 yuan. During 1949, the Northeast Bank loaned 90 billion yuan to private enterprises in Mukden. In the matter of securing raw materials from China proper, or abroad, the public enterprises are always ready to extend their aid.

LACK OF INSPECTION CAUSES BIG LOSS -- Dairen, Jen-Min Jih-pao, 8 Oct 50

Because of carelessness in the inspection program, a transformer in the riveting shop of the Dairen shipyard burned out and resulted in a repair bill amounting to 33 million yuan (Northeast currency).

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